

**APPLICATION FOR PIPELINE RIGHT-OF-WAY LEASE
Point Thomson Export Pipeline**

1. Date of Application

December 17, 2002

2. Name and Address of Applicant(s)

Please see the cover letter.

It is anticipated that a revision in the Applicant will be made (i) to a Limited Liability Company, with one or more of ExxonMobil Pipeline Company, BP Transportation (Alaska) Inc., ConocoPhillips Alaska, Inc. and/or ChevronTexaco Pipeline Company, as member(s) and/or (ii) with one or more of the named companies as Applicant(s) in its/their own name(s). As soon as a final determination has been made as to the Applicant(s), the Application will be amended accordingly.

The contact for this Right-of-Way Lease Application is Peter T. Hanley. He can be reached for clarification and/or additional information at 907- 564-3787.

PART I. PROPOSED ROUTE

The proposed Point Thomson Export Pipeline extends about 22 miles from the proposed Point Thomson Central Processing Facility (CPF), located approximately 60 miles east of Prudhoe Bay, to a point of connection with the existing Badami Sales Oil Pipeline at the Badami Central Processing Unit (CPU). The proposed Point Thomson Export Pipeline route is shown in Exhibit A.

3. Point of Origin.

The point of origin of the Point Thomson Export Pipeline is at the Point Thomson CPF. The CPF pad is located in Section 3, T9N, R23E, and Section 34, T10N, R23E.

4. Point of Termination.

The point of termination of the Point Thomson Export Pipeline is at the point of connection with the existing Badami Sales Oil Pipeline in Section 8, T9N, R20E.

5. Total proposed length.

The total length of the proposed Point Thomson Export Pipeline is approximately 22 miles.

6. Total length proposed to cross state lands.

The total length of the proposed Point Thomson Export Pipeline that crosses state lands is approximately 22 miles.

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- 7. Attach a map or plat showing the proposed alignment of the centerline of the pipeline right-of-way, and indicate the areas of state upland ownership throughout the length of the proposed right-of-way.**

Exhibit A (Figures 1- 23) shows the proposed approximate centerline alignment of the Point Thomson Export Pipeline route based on review of the best available cartography. The centerline may need to be adjusted by as much as 2 to 3 thousand feet during the design and permitting process to accommodate design optimization. The entire length of the pipeline right-of-way crosses lands owned by the State of Alaska.

- 8. Proposed crossings of streams and other bodies of water (for each crossing indicate the width and depth of the stream or water body.)**

The Point Thomson Export Pipeline crosses the streams identified in Table 1 and the lakes / ponds identified in Table 2. The widths and depths of the stream crossings are based on topographic maps and the additional descriptions are based on observations taken in 1998. The lake information is based on topographic maps and aerial photographs taken in 1997. The information provided in Tables 1 & 2 may change as the pipeline route is optimized during the design process. The stream numbers in Table 1 correspond to the stream crossing numbers in Exhibit A.

The 1998 observations of bank width are estimates based on spring break up observations in the general neighborhood of the pipeline crossings. After survey of the pipeline route the crossing location will be selected to optimize crossing location and provide more accurate width measurements. The requirement of CFR 195.260, which identifies the need for pipeline valves, will be addressed after the survey. Both isolation valves and vertical loops will be considered to address the functional requirement of CFR 195.260.

The following notes apply to Table 1 (see pages 3 and 4):

1. Category I streams are minor streams having poorly defined channels and drainage areas, while Category II streams have definable channels and drainage areas.
2. This is an estimate of the magnitude of the drainage area at the time of the 1998 spring breakup assessment and is based on the topography as represented by USGS topographic maps of the watershed.
3. The estimate of bank full condition is based on two cross sections measured at the time of the 1998 spring breakup assessment, unless otherwise noted.
4. The proposed route crosses West Badami Creek in three locations.
5. This estimate is based on measurement at one cross section.
6. Order of magnitude estimate based on comparison with streams with similar features and characteristics as shown on base mapping and aerial photography.
7. The portion of the bank full cross section that contains water or ice all year round.

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TABLE 1: Stream Crossings

Stream No.	Stream Name	Stream Crossing Legal Description	Category ¹	Drainage Area ² (sq. mi.)	Bank Full Condition ³		VSMs	
					Width (ft)	Max Depth (ft)	Approx. No. within Bank Full X-section	Approx. No. in Active Channel ⁷
1	nameless	T9N, R23E, Sec 3	II	3.0	40 - 110	2 - 4	2	0
2	nameless	T9N, R23E, Sec 4	I	unavail.	< 100 ⁶	2 - 4	2	0
3	nameless	T9N, R23E, Sec 5	I	8.2	< 30 ⁵	< 1 ⁵	0	0
4	nameless	T9N, R23E, Sec 5	I	unavail.	5 - 10 ⁵	0.5 - 1.0 ⁵	0	0
5	nameless	T9N, R23E, Sec 5	I	unavail.	< 30 ⁶	< 1 ⁶	0	0
6	nameless	T9N, R23E, Sec 6	I	unavail.	< 100 ⁶	< 1	2	0
7	nameless	T9N, R23E, Sec 6	I	unavail.	< 100 ⁶	< 1 ⁶	2	0
8	nameless	T10N, R23E, Sec 31	I	unavail.	< 30 ⁶	< 1 ⁶	0	0
9	nameless	T10N, R23E, Sec 31	I	unavail.	< 30 ⁶	< 1 ⁶	0	0
10	nameless	T10N, R23E, Sec 31	I	1.8	< 90	< 2	1	0
11	nameless	T10N, R23E, Sec 31	I	unavail.	< 150 ⁶	< 4 ⁶	3	1
12	nameless	T10N, R22E, Sec 36	II	32.1	90 - 120	4 - 5	2	0
13	nameless	T10N, R22E, Sec 35	II	5.4	50 - 60	2 - 6	1	0
14	nameless	T9N, R22E, Sec 4	I	6.8	< 100 ⁶	< 2	2	0
15	nameless	T9N, R22E, Sec 5	II	13.2	60 - 70	2 - 4	1	0
16	nameless	T9N, R22E, Sec 6	II	4.9	30 - 60	2 - 5	1	0
17	nameless	T9N, R21E, Sec 1	II	11.3	50 - 90	2 - 4	2	0
18	nameless	T9N, R21E, Sec 10	II	41.4	80 - 150	4 - 5	3	1
18A	nameless	T9N, R21E, Sec 10	I	unavail.	< 30 ⁶	< 1 ⁶	0	0
19	nameless	T9N, R21E, Sec 9	II	3.5	90 - 110	3 - 5	2	0
20	nameless	T9N, R21E, Sec 8	II	23.8	50 - 70	3 - 4	1	0
21	nameless	T9N, R20E, Sec 13	II	7.5	40 - 60	1 - 4	1	0
22	nameless	T9N, R20E, Sec 13	I	unavail.	< 50 ⁶	< 1 ⁶	0	0
23	E. Badami	T9N, R20E, Sec 14	II	88.7	220 - 330	3 - 6	5	2
24	Middle Badami	T9N, R20E, Sec 15	II	31.5	40 - 60	3 - 5	1	0
25 ⁴	W. Badami	T9N, R20E, Sec 16	II	40.3	50 - 100	3 - 5	6	0

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TABLE 2: Lake Crossings				
Lake No.	Legal Description	Estimated ¹ Width (ft)	Estimated ¹ Depth (ft)	Comments
1	T9N, R23E, Sec 3 & 4	650	3 - 5	
2	T9N, R23E, Sec 4	950	3 - 4	Pond complex, drained lake basin
3	T9N, R23E, Sec 5	300	3 - 4	
4	T9N, R23E, Sec 5	340	3 - 6	
5	T10N, R23E, Sec 31	230	2 - 4	
6	T10N, R22E, Sec 36	1150	2 - 4	Pond complex, drained lake basin
7	T10N, R22E, Sec 35	380	2 - 3	
8	T10N, R22E, Sec 35	220	2 - 3	
9	T9N, R22E, Sec 3	190	3 - 4	
10	T9N, R21E, Sec 1	90	3 - 5	
11	T9N, R21E, Sec 10	1550	2 - 4	Pond complex, drained lake basin
12	T9N, R21E, Sec 9	150	2 - 4	
13	T9N, R20E, Sec 13	200	2 - 3	
14	T9N, R20E, Sec 13	300	2 - 4	
15	T9N, R20E, Sec 14	115	2 - 4	
16	T9N, R20E, Sec 16	140	2 - 4	
17	T9N, R20E, Sec 9	170	2 - 4	
<u>Notes:</u> 1. Estimated width/depth at the point at which the centerline of the construction right-of-way crosses the lake.				

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- 9. Attach a map or plat showing the proposed alignment of the centerline of the pipeline right-of-way where it crosses the beds of streams or other bodies of water.**

Exhibit A provides the approximate location of the centerline of the pipeline right-of-way and shows stream and lake / pond crossing locations.

- 10. Width of the proposed temporary right-of-way required for construction for each segment of the pipeline route on state lands.**

The temporary construction right-of-way is generally 400 feet wide, extending 200 feet on either side of the centerline of the pipeline VSMs. The temporary construction right-of-way cross section is illustrated in Exhibit B. An ice/snow workpad will be constructed within the construction right-of-way.

- 11. Size and location of any sites, in addition to the proposed pipeline right-of-way, requested on a temporary basis during construction.**

Additional storage and laydown areas will be required in support of pipeline construction.. The locations for these potential ice or snow pad staging areas and access roads are shown in Exhibit A. Additionally, space on existing gravel pads, or space on new gravel pads to be constructed in the Point Thomson Unit, may be used for temporary storage or access.

- 12. Width of the proposed right-of-way required for operating the completed pipeline for each segment of the pipeline route on state lands.**

The right-of-way required for operating the Point Thomson Export Pipeline (the "operational right-of-way") will be 100 feet wide, 50 feet on either side of the center of the pipeline.

- 13. Size and location of any sites, in addition to the proposed pipeline right-of-way, requested for the operation of the completed pipeline.**

At this time no additional gravel structures are anticipated. However, additional areas may be required for possible valve or equipment installation and their foundations (e.g. gravel pad) along the pipeline, if found to be required during detail design. Location and sizes will be identified during detailed design with intent to contain such facilities within the 100 ft operational right-of-way.

- 14. Legal description of state lands within the proposed pipeline right-of-way that are reserved or committed to any purpose. (For each tract of such state lands, state the purpose to which it is reserved or committed.)**

A review of Department of Natural Resources (DNR's) public land records indicates that none of the state lands within the proposed right-of-way are reserved or committed to any purpose. There are no known Native Allotments within or adjacent to the proposed pipeline right-of-way. Oil and gas leases have been issued along the pipeline route between the Badami Unit and the Point Thomson Unit.

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The legal description of the approximate construction right-of-way is provided in Exhibit D. The actual pipeline route may be adjusted up to 3 thousand feet on either side of the corridor shown in Exhibit A. The legal description provided in Exhibit D should not be impacted by such adjustments.

PART II. PROJECT DESCRIPTION

15. Substance(s) to be transported.

See Table 3 for proposed pipeline information.

16. Size, engineering and design characteristics and amount of each type of pipe to be used.

See Table 3 for proposed pipeline information.

The pipeline design characteristics provided in Table 3 are based on the conceptual designs. The pipe diameter, wall thickness and grade are not anticipated to change, but design pressures, throughput, heating requirements etc. will be further evaluated during detailed design.

17. Size, number and location of pumping, compressing, heating or refrigeration stations.

See Table 3 for proposed pipeline information. See response to Question 16.

18. Transportation capacity of the proposed pipeline.

See Table 3 for proposed pipeline information. See response to Question 16.

19. Estimated life of the pipeline.

See Table 3 for proposed pipeline information. See response to Question 16.

20. Planned temperature at which each substance will be transported and whether it will be heated or refrigerated to maintain that temperature.

See Table 3 for proposed pipeline information. See response to Question 16.

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Table 3: Engineering Data Summary for the Point Thomson Export Pipeline

Transported Substance	Liquid Hydrocarbon
Substance Specific Gravity (@ standard conditions)	0.7 to 0.9 (water = 1.0)
Maximum Allowable Operating Pressure (MAOP)	2060 psig
Pipeline Outside Diameter	12.750 inches
Pipeline Wall Thickness:	
Mainline	0.281 inch
Station piping & valve and trap sites	0.375 inch
Pipe Material Grade	API 5L X65
Design Hoop Stress Factor:	
Mainline	0.72
Station piping & valve and trap sites	0.60
External Coating:	
Mainline	Polyurethane Foam (PUF) insulation with galvanized metal outer jacket
Buried Road Crossings	Fusion Bonded Epoxy & Polyurethane Foam (PUF) insulation with galvanized metal outer jacket
Cathodic Protection	None
Minimum Hydrostatic Test Pressure & Duration	4 hours at minimum pressure of 125% MAOP and 4 hours at minimum pressure of 110% MAOP per DOT Part 195.
In-line Inspection Capability	Yes
Valves:	See Response #13
Mainline	Automated isolation valves at the inlet and outlet of the pipeline
Check	None
Other Facilities	
Badami meter	Meter at Badami CPU on or adjacent to existing pad
Badami line heater	Heater at Badami CPU on or adjacent to existing pad
Pigging Facilities	Pig launcher facility at Point Thomson CPF and pig receiver at Badami CPU on or adjacent to existing pad.
Pumps	Pumps at the Point Thomson CPF
Pt. Thomson meter	Meter at the Point Thomson CPF

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Pipeline Design Throughput: Maximum	100,000 bbl/day
Pipeline Design Temperatures: Maximum Minimum Design Metal Temperature	150 °F -50 °F
Pipeline Construction Mode(s): Mainline Road Crossings Creek and Water Crossings	VSMs, minimum five (5) feet clearance between bottom of pipe and tundra surface. Should vibration dampeners be required, this minimum five foot clearance will be from the bottom of the dampeners to the tundra surface. In culverts or casings through road bed gravel placed on the tundra (see Exhibit C) VSMs
Design Code/Regulation	49 CFR, Part 195
Minimum Operational Life	30 years

21. The pipeline will be (check as appropriate):

√	Supported over the surface along its entire length
	On the surface along its entire length
	Partially buried along its entire length
	Completely buried along its entire length
	None of the above (If this is checked, attach a map showing which portions of the pipeline are planned to be over the surface, on the surface, partially buried and wholly buried.)

The pipeline will be supported on VSMs along its entire length, except at road crossings, where it will be in casings or culverts.

22. Describe the methods to be employed for partially or completely burying any portions.

Road crossings, if any, will be installed through a casing/culvert that is buried in the road bed gravel. The road bed gravel will be placed on top of the tundra. A typical road crossing is illustrated in Exhibit C. However, there is no planned road crossing along the cross-country section of the proposed pipeline.

23. Describe any bridges, trestles, other structures or berms for the support of the proposed pipeline.

The proposed Point Thomson Export Pipeline will be supported on VSMs complete with "Z" type offsets/expansion loops to permit extension and shortening of the pipeline due to thermal effects. The VSMs will be designed and installed to provide minimum separation of

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five feet between the bottom of pipe and the tundra surface. Design and installation of the VSMs will be completed using standard ExxonMobil and North Slope pipeline specifications and procedures. The VSM design will be performed during the pipeline detailed design.

24. Describe the proposed method for all stream crossings and crossings of other bodies of water.

All creek and water crossings will be above ground on VSMs. Table 1 provides the estimated widths of the stream crossings.

25. Describe the proposed methods for grades, cuts or fills.

Gravel pads, if required, will be approximately 5 feet thick and sides will be sloped at 2:1. See response # 13.

26. Planned facilities for spill or leak prevention and containment.

The proposed Point Thomson Export Pipeline design will include a computational pipeline monitoring leak detection system in accordance with federal and state requirements. The leak detection system will perform real-time monitoring for pipeline leakage. Leak detection calculations are based on operating data that is continually updated, gathered from field instruments and compiled in the host computer via the Supervisory Control and Data Acquisition (SCADA) system. Specific hardware and software options for the leak detection system will be evaluated and selected later in project design.

The product entering the Point Thomson Export Pipeline will be analyzed to assure it meets transportation specifications for the Point Thomson Pipeline, the Badami Pipeline, the Endicott Pipeline, and TAPS. Accordingly, the pipeline should only contain clean, non-corrosive liquid hydrocarbons. Pig launchers and receivers will be installed and pipeline operations will include periodic in-line inspections using intelligent pigging tools to collect baseline and subsequent data sets for monitoring the condition of the pipeline over its operating life.

Mainline valves will be installed at the pipeline inlet and outlet per the requirements of 49 CFR, Part 195. Mainline valves or vertical loops, which will be evaluated and defined during detailed design, may be installed to limit the amount of the liquid hydrocarbon that can be spilled in the event of a pipeline leak or rupture.

Specific containment prevention measures, equipment needs, and response strategies will be provided in an Oil Discharge Prevention and Contingency Plan that will be prepared and submitted to the Alaska Department of Environmental Conservation for review and approval.

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27. Proposed access roads, airstrips, heliports, float plane facilities, communication facilities and storage sites for equipment and materials, whether planned for construction, operation or maintenance support.

As described in Response #10, an ice road/pad will be constructed within the temporary construction right-of-way to support pipeline construction. As described in Response #11, additional storage and laydown areas will be required during construction. These may be ice pads, snow pads, space on existing gravel pads or space on gravel pads to be constructed in the Point Thomson and Badami Units. Also ice roads may be constructed from the sea ice road to the pipeline ice roads to improve access. Information on water use and potential water sources for ice pad and ice road construction is provided in the Environmental Report (attached) referenced in the introduction to Part IV of this application. Exhibit A also shows access ice roads to the pipeline right-of-way. These are shown for completeness, but are not proposed to be part of the construction right-of-way. They will be permitted separately through DNR land use authorizations.

A communication tower and associated equipment will be installed at the Point Thomson CPF in support of Unit operations; this equipment will also be used to support pipeline operations.

Permanent storage areas for equipment and materials required for pipeline operation and maintenance will be on the Point Thomson CPF pad.

28. Size, number, approximate location and planned duration of field camps.

There are currently no plans to locate field camps on the pipeline ROW. Pipeline construction personnel will be housed in a construction camp installed on the Point Thomson CPF pad and/or other existing facilities.

Warm-up shacks and on-site toilet facilities will be provided along the construction right-of-way. These facilities will be installed prior to and during pipeline construction and removed once construction is complete.

29. Size, number and approximate location of housing for personnel operating or maintaining the pipeline.

A permanent camp will be installed and maintained on the Point Thomson CPF for operations and maintenance personnel. The camp will be sized to accommodate approximately 100 people, including personnel operating the pipeline.

30. Size, number and approximate location of health care facilities.

The existing North Slope emergency medical facilities will be available for the Point Thomson Project. Emergency and first aid facilities and personnel will be provided at the

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Point Thomson CPF during construction. Permanent emergency and first aid facilities and personnel will be provided at the Point Thomson CPF during pipeline operation.

31. Approximate number of persons to be employed during construction.

The pipeline construction work force is anticipated to be approximately 350 persons.

32. Approximate number of persons to be employed to operate and maintain the pipeline.

It is estimated that operation and maintenance of the Point Thomson Export Pipeline will employ approximately two (2) full-time equivalent personnel. Repairs and special maintenance (e.g. valve maintenance, intelligent pigging programs) will be staffed and executed according to job-specific requirements.

33. Planned commencement date for construction.

Pipeline materials shipments to the Prudhoe Bay area for interim storage will occur throughout 2005. Transportation of materials and equipment to the pipeline right-of-way are planned to commence once ice roads are passable early in 2006.

Ice road construction will commence in late 2005 or early 2006, followed immediately by VSM installation and other pipeline construction activities. Construction should be completed by mid April 2006. Hydrostatic testing could be conducted prior to mid-April while the pipeline right-of-way ice road is passable or later in 2006, with access to the pipeline limited to those portions of the line on permanent gravel pads.

34. Estimated construction time.

See Response #33.

35. Planned commencement date for operations.

Operation is scheduled to commence in 4Q 2006.

36. Estimated cost of materials.

The estimated cost of materials for the Point Thomson Export Pipeline, based on conceptual engineering, is approximately \$15 million.

37. Estimated cost of construction and installation.

The estimated cost for construction and installation of the Point Thomson Export Pipeline, based on conceptual engineering, is approximately \$25 million.

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38. Estimated annual cost for operations and maintenance.

It is estimated that the annual operating and maintenance costs will be approximately \$5 million.

PART III. AVAILABILITY OF INTERCONNECTIONS, TERMINAL FACILITIES AND STORAGE FACILITIES

39. Describe how the proposed pipeline will connect with planned field gathering systems, if any.

Infield pipelines will transport production to the CPF. At the CPF, fluids will be separated and processed to provide export quality liquid hydrocarbon for transfer to the Point Thomson Export Pipeline.

40. Discuss the technical and economic feasibility of providing connections with other field gathering systems at intermediate points along the proposed pipeline.

The Point Thomson Export Pipeline will be designed, built and operated as a common carrier system. All pipeline connections of other field's gathering systems at intermediate points along the pipeline would be evaluated on an individual basis.

The principal factors to be considered in determining the technical feasibility of such connections include, but are not limited to:

- Assurance that any hydrocarbon does not damage the quality of other hydrocarbon being transported;
- Suitability of the hydrocarbon for pipeline movement including temperature, vapor pressure, pumpability, sulfur content, composition and basic sediment and water content;
- Location of connection;
- Rate, continuity, and control of flow into and out of the pipeline;
- Leak detection monitoring requirements;
- Relevant state and federal regulations;
- Ownership and lease negotiations, and
- Operatorship and custody transfer protocol; and
- Economic feasibility.

41. Discuss the technical and economic feasibility of providing connections or interchanges with other pipelines at intermediate points along the proposed pipeline

Any pipeline interconnections to the proposed export pipeline would be evaluated on the same technical and economic bases as described in Response #40.

42. Describe the location, area and capacity of proposed tank farms or other storage facilities.

Based on conceptual designs no tank farms or other facilities are planned for storage in conjunction with operation of the Point Thomson Export pipeline. During detailed design of

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the export pipeline system, potential storage requirements at the Point Thomson Gas Cycling Central Processing Facility will be evaluated.

43. Describe any terminal delivery facility of the proposed pipeline and give its location.

No terminal facilities are planned for the Point Thomson Export Pipeline.

44. Discuss the technical and economic feasibility of providing delivery facilities at intermediate points along the proposed pipeline.

The liquid hydrocarbon deliveries at intermediate points along the pipeline will be evaluated at the time of the request. If such delivery is technically feasible, the economic feasibility will depend on a comparison of the investment, if any, required to accommodate the particular delivery and the tariff revenue generated by the delivery of such product.

PART IV. SAFEGUARDS FOR PERSONS, PROPERTY, THE PUBLIC AND THE ENVIRONMENT

In support of this application the *Point Thomson Gas Cycling Project Export Pipeline Environmental Report* (ER) has been prepared and is submitted with this application. The ER provides a description of the known existing physical, biological, and human environments related to the export pipeline system, as well as discussion of the anticipated environmental consequences of construction and operation of the pipeline system and anticipated impact mitigation measures.

Later in the Project, additional documents will be prepared to describe plans and methods to assure safe and environmentally sound pipeline construction and operation. These documents include a Pipeline Construction Plan, which will describe the construction process, and a Pipeline Surveillance and Monitoring Plan, which will describe inspection and monitoring procedures of the pipeline during startup and operations.

45. Describe your plans to detect and abate any condition possibly arising from the construction, operation, maintenance or termination of all or any part of the proposed pipeline that may cause or threaten to cause a hazard to the safety of workers on the pipeline.

A safety program will be developed and implemented for construction and operation of the pipeline. The safety program will address and incorporate the following: introductory and regular safety briefings, a safety officer with clearly defined roles and responsibilities, identification and correction of potential work hazards, environmental awareness, polar bear interaction plan, contingency plans for medical evacuations, HAZWOPER training for spill responders, and first-aid training. All employees and contractors on the project will be required to attend regularly scheduled safety meetings. Any condition that could cause a hazard to the safety of the workers on the pipeline will be reported to the responsible supervisor so that immediate corrective action can be taken.

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ExxonMobil Pipeline Company and all of its contractors and subcontractors will observe and comply with all applicable federal, state, and local laws and regulations related to worker safety, including:

- All applicable safety and health standards promulgated by the Secretary of Labor pursuant to Section 107 of the Contract Work Hours and Safety Standards Act (40 U.S.C. 333), published in 29 CFR Part 1926;
- All applicable occupational safety and health standards promulgated by the Secretary of Labor pursuant to Section 6 of the Williams-Steiger Occupational Safety and Health Act of 1970 (29 U.S.C. 655), published or incorporated by explicit reference in 29 CFR Part 1910; and
- All applicable occupational safety and health standards, orders, rules and regulations promulgated by the Alaska Department of Labor pursuant to AS 18.60.010 through AS 18.60.105.

46. Describe your plans to detect and abate any condition possibly arising from the construction, operation, maintenance or termination of all or any part of the proposed pipeline that may cause or threaten to cause a hazard to the public health and safety.

Established safe construction practices, together with implementation of an operations integrity management system's requirements, will be used to assure the health and safety of the public during and after construction of the pipeline. ExxonMobil Pipeline Company will observe and comply with all applicable federal, state, and local laws and regulations related to public health and safety, including federal pipeline safety regulations pursuant to 49 CFR Parts 190, 194, and 195. These federal regulations provide stringent standards for pipe materials, pipe design, pipe components (e.g., valves, flanges), pipe welds, pipeline construction, corrosion protection, pipeline pressure testing, and operation and maintenance.

There is limited potential for public access to the site in this remote area. During construction, a "limited access" policy will be implemented. Wherever possible, access to the construction right-of-way will be controlled. Local communities will be informed about construction and maintenance operations to aid in the identification of means to avoid potential conflicts with subsistence users.

Risks relating to spills or leaks will be minimized by implementing a leak detection system (as described in Response #26), and pipeline testing and monitoring (as described in Response #52).

A Point Thomson Oil Discharge Prevention and Contingency Plan (ODPCP) will be developed and implemented in accordance with 18 AAC 75 which includes plans for prevention of and response to any spills of oil, fuel or other substances. This ODPCP will address oil spill prevention and response to protect public health and safety during pipeline operation. Measures to protect public health and safety during pipeline operation include an ongoing inspections and maintenance program. Spill prevention measures including those

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related to the use of liners for refueling operations and for stationary vehicles will be provided in the environmental compliance document and training described in Response # 53.

47. Describe your plans to detect and abate any condition possibly arising from the construction, operation, maintenance or termination of all or any part of the proposed pipeline that may cause or threaten to cause serious and irreparable harm or damage to public or private property.

An operations integrity management system will be developed to address requirements for the inspection and audit of pipeline construction, operation, maintenance and termination procedures.

The ER provides general information about possible effects to lands in the pipeline corridor, and proposed methods to mitigate those impacts.

A primary objective of the project will be to assure pipeline integrity and address spill prevention design measures. The Pipeline Construction Plan will identify site specific measures required to assure surface protection. The Pipeline Surveillance and Monitoring Plan will identify procedures to monitor performance to assure continued operational integrity.

A major component of the program will be full compliance with applicable pipeline design and operation standards, including:

- Relevant Design Codes, including ANSI/ASME B31.4
- 49 CFR Part 195, "Transportation of Hazardous Liquids By Pipeline"
- 18 AAC 75, "Oil and Hazardous Substances Pollution Control"

The proposed construction technique is specifically designed to minimize impacts to state lands and waters. Work will be conducted from an ice road pad to avoid damage to the tundra. Design and construction measures to prevent or repair any damages to project area vegetation are described in Response #48.

Any planned pipeline repairs will be completed in winter from ice pads, ice roads, and/or existing gravel pads. During times when travel over the tundra is permitted, repairs would be supported by rolligons and/or wooden mats pinned together and set on the tundra to minimize environmental disturbance.

Mainline block valve sites, if any, will have an associated gravel pad to allow valve operations and maintenance without harm to the tundra.

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48. Describe your plans to detect and abate any condition possibly arising from the construction, operation, maintenance or termination of all or any part of the proposed pipeline that may cause or threaten to cause serious and irreparable harm or damage to vegetation or timber.

An operations integrity management system will be developed to address requirements for inspection and audit of pipeline construction, operation, maintenance, and termination procedures. A copy of the operations integrity management system documentation will be submitted to SPCO.

ExxonMobil Pipeline Company is developing Point Thomson project-specific pipeline specifications which will address winter construction practices. These will draw upon standard North Slope specifications as well from ExxonMobil's Global Practices. Best practices from each of these sources are being identified and incorporated as appropriate.

The ER provides general information about possible effect to vegetation in the pipeline corridor, and the proposed methods to mitigate those impacts.

Implementation of the aforementioned specifications should result in minimal disturbance to tundra vegetation during construction of the pipeline. Construction activities will be confined to ice pads and roads and frozen lake surfaces along the pipeline right-of-way. Construction will be monitored by trained personnel (see Response #52) to assure that disturbance to tundra is minimized. Any damage to the tundra resulting from vehicles or other materials leaving the ice pad work surface will be identified and corrective action taken as appropriate. Corrective action typically involves noting the extent of the damage and, if warranted, rehabilitating the disturbed area immediately or upon completion of construction activities.

The aforementioned pipeline specifications including practices of using liners to contain any fluids that may leak from vehicles or equipment will be followed during construction of the pipeline. Any leaks of oil or other substances onto the iced working surface or onto the adjacent tundra will be cleaned up immediately. Materials will be disposed of in accordance to accepted operating practices and applicable regulations. The work surface will be left as clean as practicable following completion of pipeline construction.

Ice pads/ice roads generally melt more slowly than snow cover on the surrounding tundra. This results in delayed greening of vegetation in the area covered by the ice pad/road. This is a temporary situation and North Slope experience indicates that within one year the vegetation within the ice pad/road area will be indistinguishable from adjacent tundra.

The pipeline will be monitored regularly during operations as described in Response #52. Maintenance operations will be conducted in a manner that minimizes disturbance to tundra by using vehicles approved for tundra travel during summer and winter.

49. Describe your plans to detect and abate any condition possibly arising from the construction, operation, maintenance or termination of all or any part of the proposed pipeline that may

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cause or threaten to cause serious and irreparable harm or damages to fish or other wildlife or to their habitats.

An operations integrity management system will be developed to address requirements for the inspection and audit of pipeline construction, operation, maintenance, and termination procedures.

The ER provides information about possible effect to fish, wildlife, their habitats in the pipeline corridor, and the proposed methods to mitigate those impacts.

Impacts resulting from pipeline construction include the use of fresh water to construct an ice road/work surface, slightly delayed melt of the ice road/work surface at break-up relative to surrounding undisturbed tundra and highly localized disturbance of tundra at the holes drilled for placement of vertical support members. The pipeline should not affect tundra streams that support freshwater or anadromous fish.

Construction of the pipeline will take place in winter, when few species of wildlife are present in the project area. Species that could be affected by the winter pipeline construction program are Arctic foxes and common ravens. Arctic foxes and common ravens are often attracted to areas of human activity because of their association of such activity with food or garbage. Measures will be incorporated to assure that all food materials are stored and all food wastes are disposed of properly. Workers will be required to take part in environmental training regarding the proper actions to take when working in areas frequented by foxes.

The Alaska Department of Fish and Game and the U.S. Fish and Wildlife Service will be consulted to identify the locations of known grizzly bear and polar bear dens within the proposed project area. Reasonable and prudent efforts will be made to avoid disturbance to denning bears. Before site activity begins, a wildlife interaction plan will be implemented (see response #53). That plan will address measures to avoid bear, fox, and other wildlife encounters, and will present specific actions to be taken in the event of an encounter.

Pipeline operation should have minimal impacts on wildlife. The elevated pipeline will be designed to facilitate caribou and other wildlife passage. No changes to local or regional drainage patterns that would affect terrestrial wildlife habitats will occur as a result of operation of the elevated pipeline. Normal maintenance activities conducted during the summer have the potential to disturb wildlife within and immediately adjacent to the pipeline corridor. Therefore, when possible, planned maintenance will be conducted in winter when most wildlife is not present. If maintenance must be undertaken during summer, access to the project area will be restricted to those personnel directly involved in the maintenance and to that area where the work is required. Local communities will be informed about construction and maintenance operations to avoid any conflicts with subsistence users.

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50. Describe your plans for restoring areas of vegetation or timber damaged or harmed directly or indirectly by the construction, operation, maintenance or termination of all or any part of the proposed pipeline.

The pipeline will be constructed during winter from ice roads and pads. These will melt slower than adjacent tundra, therefore some delayed greening of vegetation is anticipated along the pipeline corridor the first year following construction. In addition, there is the potential, depending on the local topography, for some alteration of local drainage ways during break-up due to the presence of the ice road. Where necessary, the ice road can be selectively cut or scarified to minimize any temporary impounding of surface flow or other alteration of normal drainage. Highly localized disturbance to tundra will occur at the VSM locations. Construction techniques used to drill holes for VSMs (e.g., recovery and removal of all drill cuttings), will limit this disturbance to the hole itself and will not affect the adjacent tundra.

51. Describe your plans for abating erosion and restoring areas eroded as a direct or indirect result of the construction, operation, maintenance or termination of all or any part of the proposed pipeline.

Since the pipeline will be constructed during winter, no erosion should occur as a direct result of construction activities. See Response #50 regarding mitigation of potential erosion resulting from post construction activities. Also, since the pipeline will be constructed above grade on VSM's with no below grade river/stream crossings, no erosion problems are anticipated.

52. Describe your plans for quality control and your procedures for inspection and testing the pipeline, both during and after construction.

An operations integrity management system will be developed to address requirements for the inspection and audit of pipeline construction, operation, maintenance, and termination procedures.

The Pipeline Construction Plan and Pipeline Surveillance and Monitoring Plan, to be developed later in the project and submitted for SPCO review, will provide more detailed information on proposed inspection and testing procedures.

Project activities planned to assure overall pipeline quality are described below.

Field Design Changes

Some design issues may require resolution during the actual construction process, based on conditions encountered in the field. Definable design issues will be detailed on the drawings and in the specifications. Factors such as construction and weather challenges, as well as unanticipated and unique subsurface conditions, may require field design changes. A procedure for Field Design Change will be developed and used during Project Execution.

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Construction Inspection

Construction inspections will be planned and target specific activities based on risk assessment. The inspections will be conducted in accordance with the operations integrity management system and approved contractor Quality Assurance and Control Plans. In addition, a system will be implemented to react quickly and efficiently to any deviations to identified standards. Trained inspectors will monitor construction activities and a set of complete records will be kept for reference during pipeline operation and maintenance and for future projects involving the pipeline (e.g., intelligent pig inspection programs).

Materials and Procedures Control

Suitable materials will be employed on the Point Thomson Export Pipeline. Strict quality control will be required of all suppliers. Field butt welds on the pipeline will be inspected using non-destructive testing during construction. Throughout construction, inspectors will be employed to ensure that the approved welding procedures are followed, including preheat and cool down, if required. The pipeline will be pressure-tested following construction.

Once the pipeline is in service, it will be periodically inspected using intelligent inspection pigs.

The Surveillance and Monitoring Plan will provide details about inspection pigging, and will define the types and frequency of inspection pigs to be run through the pipeline. The first inspection pig run will establish base line pipeline conditions. Subsequent pig runs will be scheduled to monitor and detect any change from the base line conditions. The frequency of pig runs will be evaluated based on results from previous pig runs and on operating experience.

53. Describe your plans to ensure compliance by your contractors and subcontractors with the safeguards and stipulations of the right-of-way lease, if issued.

The operations integrity management system will contain requirements for inspections and audits of pipeline construction, operation, and maintenance, including those requirements that are the responsibility of contractors to adopt and to enforce.

Provisions incorporating safeguards and stipulations of the right-of-way lease and requiring compliance with those safeguards will be incorporated into all contracts and subcontracts for construction, operation, and maintenance of the pipeline. Personnel will be required to attend a briefing describing these requirements. Any contractor or subcontractor not complying with the safeguards and stipulations of the right-of-way lease may be subject to employment termination.

In addition, the following measures and procedures will be implemented to ensure excellent environmental performance and compliance with the lease, project permits, and Federal, State and local regulations:

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- Environmental training for project personnel including components related to wildlife interaction, project permit stipulations, regulatory requirements, the ODPCP, and compliance requirements;
- Implementation of a Wildlife Interaction Plan (draft enclosed with this application)
- A Permits and Environmental Compliance Manual will be prepared for field supervisors and other key personnel. The purpose of this manual is to provide those supervisors and key personnel with the tools and resources to ensure compliance with project permits and applicable environmental laws and regulations. This manual can only be prepared after project permits and other authorizations are obtained so that permit obligations can be included and explained. The manual will provide procedures for permit and regulatory compliance including such requirements as oil spill reporting and environmental monitoring, and information on company and agency environmental personnel contacts. In addition, the manual will detail ExxonMobil environmental policies and performance expectations.

PART V. SPECIAL SAFEGUARDS FOR NATIVES AND OTHERS SUBSISTING ON THE BIOTIC RESOURCES OF THE GENERAL AREA OF THE PROPOSED RIGHT-OF-WAY

54. Describe your plans and procedures to protect the interests of individuals living in the general area of the proposed right-of-way who rely on the fish, wildlife and biotic resources of the area for subsistence purposes.

The ER provides general information about possible effect to subsistence resources and subsistence uses in the pipeline corridor, and the proposed methods to mitigate those impacts.

During project planning and development, project representatives will consult with local residents to assure local concerns are addressed during project design, construction, and operation.

While there are no permanent residents of this general area, residents of several North Slope villages use the project region for some gathering of subsistence resources. Design criteria and construction and operation procedures will help protect the interests of these individuals who use this area for subsistence purposes. These measures are designed to protect the overall environment and include project scheduling to avoid wildlife disturbance and route selection to minimize and avoid adverse impacts to the environment.

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PART VI. FINANCIAL INFORMATION

55. Describe the probable financing requirements for the proposed pipeline.

It is anticipated that a revision in the Applicant will be made (i) to a Limited Liability Company, with one or more of ExxonMobil Pipeline Company, BP Transportation (Alaska) Inc., ConocoPhillips Alaska, Inc. and/or ChevronTexaco Pipeline Company, as member(s) and/or (ii) with one or more of the named companies as Applicant(s) in its/their own name(s). As soon as a final determination has been made as to the Applicant(s), the Application will be amended accordingly. Further, the financing arrangements will then be provided according to the contractual agreements between the LLC participants.

56. Attach an annual financial statement and balance sheet for each applicant, prepared in accordance with generally accepted accounting principles for each of the applicant's three fiscal years immediately preceding the date of this application and certified by a firm of reputable and independent Certified Public Accountants.

Enclosed are the financial statements of the potential applicants, which may comprise the LLC as noted in the responses to Question nos. 2 and 55 (above).

PART VII. OTHER INFORMATION

57. Name and address of the proposed general contractor for constructing the pipeline.

The pipeline construction contractor will be selected later in the project.

58. Name and address of the proposed operator of the pipeline.

It is anticipated that a revision in the Applicant will be made (i) to a Limited Liability Company, with one or more of ExxonMobil Pipeline Company, BP Transportation (Alaska) Inc., ConocoPhillips Alaska, Inc. and/or ChevronTexaco Pipeline Company, as member(s) and/or (ii) with one or more of the named companies as Applicant(s) in its/their own name(s). As soon as a final determination has been made as to the Applicant(s), the Application will be amended accordingly including identification of the operator of the pipeline.

59. Other information you believe may aid the consideration of this application.

A draft of Memorandum of Understanding (MOU) between ExxonMobil Production Company and the State of Alaska relating to management and costs reimbursement for State permit processing for the Point Thompson Gas Cycling Project is being negotiated. The provisions of this MOU are anticipated to include the activities of the SPCO and should address the following:

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- Reimbursement of the State of Alaska for costs associated with processing this application (per AS38.35);
- Development of a plan for submittal and review of technical information with expected level of details.

The following additional materials will also be submitted during the permitting process:

- The operations integrity management system developed for this pipeline.
- A Pipeline Design Basis document will be prepared for SPCO review and approval
- An ODPCP for State of Alaska Department of Environmental Conservation and Facility Response Plan for U.S. DOT and U.S. EPA review and approval
- Proposed Pipeline right-of-way following completion of a route survey
- A Pipeline Construction Plan
- A Pipeline Surveillance and Monitoring Plan.